

## 22. DETAILS OF WET AND DRY CAPITAL OF 236 COMPANIES SUBMITTING RETURNS

Number of Wet Shareholders.	Nominal Capital of Wet Shareholders.	Paid-up Capital of Wet Shareholders.	Number of Dry Shareholders.	Nominal Capital of Dry Shareholders.	Paid-up Capital of Dry Shareholders.
37,030	£2,969,748	£2,743,926	25,637	£809,029	£666,354

### PROPORTIONS OF DRY SHARES IN ABOVE COMPANIES

	Number of Companies.
Proportion of dry shares not exceeding 10 per cent. . . . .	41
Exceeding 10 per cent. but not 20 per cent. . . . .	39
Exceeding 20 per cent. but not 30 per cent. . . . .	37
Exceeding 30 per cent. but not 40 per cent. . . . .	30
Exceeding 40 per cent. but not 50 per cent. . . . .	26
Exceeding 50 per cent. but not 60 per cent. . . . .	20
Exceeding 60 per cent. but not 70 per cent. . . . .	20
Exceeding 70 per cent. but not 80 per cent. . . . .	13
Over 80 per cent. . . . .	10
Total companies . . . . .	236

From these statistics the following points emerge :—

- (a) The control of approximately one-quarter of the dairy companies in New Zealand could be exercised by the dry shareholders, if they so wished.
- (b) Approximately only one-third of the companies are in a position to resume all dry shares in view of the limitation of 20 per cent. imposed by section 52 of the Dairy Industry Act, 1908. Thus two-thirds of the companies require legislation to enable them to resume their dry shares.
- (c) Approximately one-fifth of the capital in dairy companies in New Zealand is in the hands of dry shareholders.

### PROBABLE REASONS FOR ACCUMULATION OF DRY SHARES

24. The reasons for this state of affairs may be found in one or more of the factors set out under the following subheadings :—

- (a) Falling supply.
- (b) Refusal of a company to resume shares of disloyal suppliers.
- (c) Laxity on part of a company in pursuing a sound resumption policy.
- (d) Financial inability of a company to resume shares.
- (e) Shares to be resumed now exceeding 20 per cent. of the issued capital and thus no statutory power to resume shares in excess thereof.
- (f) Refusal of dry shareholders to accept surrender.

#### (a) FALLING SUPPLY

25. If the supply to a company is maintained at a more or less stable figure, the number of shares to be held by the supplying members to that company will be more or less constant, unless, of course, the company embarks on further heavy capital expenditure. The outgoing supplier is replaced by the incoming supplier, who usually